



OCT 1967

**The Honorable John W. Macy, Jr., Chairman
Civil Service Commission
1900 E Street, N.W.
Washington, D. C. 20415**

Dear John:

Reference is made to your letter of January 12, 1967, to Mr. Wilfred H. Rommel, Bureau of the Budget, reporting the views of the Civil Service Commission on proposed CIA legislation. On March 15, 1967, the legislation was introduced as H.R. 7315. Events have required a revision in the language of H.R. 7315 and we are enclosing a copy of a new draft in the interest of obtaining your views on the changes.

Section 208 of H.R. 7315 was designed to bring the CIA cost-of-living adjustment provision into line with the changes made by P.L. 89-205 in the comparable Civil Service provision. In accordance with Section 291 of the CIA Retirement Act, a cost-of-living increase was granted on April 1, 1967. This in turn required that a change be made in the language of Section 208 of H.R. 7315.

The adjusted language provides CIA retirees with annuity increases equal to the percentage increase in force and effect for Civil Service retirees under P.L. 87-793 and P.L. 89-205. It also assures that future increases will be in phase with those granted under P.L. 89-205.

We are also proposing an increase in the annuity ceiling of the CIA retirement system from 70 percent to 80 percent of average basic salary for the highest five consecutive years of service. This conforms with the annuity ceiling of the Civil Service retirement system and the proposed ceiling for the Foreign Service retirement system as recommended by the Cabinet Committee on Federal Staff Retirement Systems and recently approved by the Senate in passage of S. 2003.

The cost-of-living and annuity ceiling proposals are in line with our continuing efforts to keep pace with significant developments in the Federal retirement field.

H.R. 7315 also included a number of provisions pertaining to existing administrative authorities of the Agency. Certain members of the CIA Subcommittees in the Congress have suggested that a shorter measure would facilitate early consideration. Accordingly, all administrative provisions except the one dealing with the Federal Employee Pay Act have been deleted from the new draft.

The views of the Commission on the new draft bill, "To amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, and for other purposes." are requested.

Sincerely,

78/ L. K. White

L. K. White
Executive Director

Enclosure

CONCUR:

15/

General Counsel

1 3 OCT 1967

Date

15/

Deputy Director for Support

1 4 OCT 1967

Date

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